



COUNTY OF LOS ANGELES

Internal Services Department

1100 North Eastern Avenue
Los Angeles, California 90063



Dave Lambertson
Interim Director

To enrich lives through effective and caring service.

Telephone: (323) 267-2101
FAX: (323) 264-7135

July 29, 2004

Agenda Date: August 10, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

REQUEST FOR APPROVAL TO PURCHASE EQUIPMENT (ALL DISTRICTS - 3 VOTES)

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Internal Services Department (ISD) to purchase equipment for the implementation of eCAPS at a one-time cost of \$1,380,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This request is to comply with the County Equipment Policy that your Board approved on October 16, 2001. This policy requires that departments obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater prior to submitting requisitions to Purchasing. Therefore, we are requesting approval to purchase two servers required for the implementation of eCAPS.

Your Board approved the eCAPS project on April 6, 2004, and ISD was authorized to purchase the necessary hardware and software at a cost not to exceed \$3,500,000. The equipment is budgeted in ISD's Fiscal Year (FY) 2004-05 Operating Budget.

The computer hardware is necessary to run the eCAPS project web servers, application servers, and database servers. The servers (IBM p Series model p690) will each have 16 active processors and 64 gigabytes (GB) of memory, and can be expanded to a total of 32 processors and 128 GB of memory. The price per server is \$690,000.

The eCAPS project has a very aggressive time schedule with the financial system upgrade scheduled for implementation on July 1, 2005. To allow adequate time for development and testing, the hardware must be in place by September 2004. Delays in the purchase of this equipment could impact the July 1, 2005 eCAPS implementation.

Implementation of Strategic Plan Goals

The eCAPS project promotes the Board-approved County Strategic Plan Goals of Service Excellence, Workforce Excellence, Organizational Effectiveness, and Fiscal Responsibility. This equipment is a critical component of eCAPS.

FISCAL IMPACT/FINANCING

The cost of these servers is \$1,380,000 and is included in ISD's FY 2004-05 Operating Budget. There is no additional net County cost associated with this request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, your Board adopted a policy whereby departments must obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisitions to Purchasing.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The equipment will be used to implement eCAPS, which will upgrade the Auditor-Controller's CAPS financial system and will have an impact on all County departments.

The Honorable Board of Supervisors
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CONCLUSION:

Your approval will allow ISD to acquire the resources necessary to successfully implement eCAPS by the July 1, 2005 deadline.

Respectfully submitted,

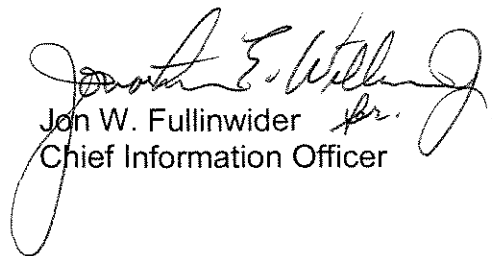


Dave Lambertson
Interim Director

DL:JJ:AF:SML:mw

Attachment (1 – CIO Analysis)

Reviewed by:



Jon W. Fullinwider
Chief Information Officer

c: Chief Administrative Officer
County Counsel
Auditor-Controller

CIO ANALYSIS

REQUEST FOR APPROVAL TO PURCHASE EQUIPMENT (ALL DISTRICTS - 3 VOTES)

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☒ Fixed Asset Authorization

New/Revised Contract Term: Base Term: __ Yrs # of Option Yrs _

Contract Components:

☐ Software ☒ Hardware ☐ Telecommunications
☐ Professional Services

Project Executive Sponsor: Tyler McCauley, Auditor-Controller

Budget Information :

Y-T-D Contract Expenditures	\$
Requested Contract Amount	\$.
Aggregate Contract Amount	\$ 1,380,000

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan? Goal 1-Service Excellence, Goal 3-Organizational Effectiveness and Goal 4-Fiscal Responsibility
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan? This project is listed in the FY 2004-05 BAP for the A-C.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?

Project/Contract Description:

This is a request for the Board to authorize the Internal Services Department to purchase computer servers required to operate the financial applications included in the eCAPS Project.

Background:

On April 6 2004, the Board approved an agreement with American Management Systems (AMS), for software and installation services required to upgrade the County's financial systems. This project was called eCAPS. The April 6, 2004 Board action also approved the expenditure of an amount not to exceed \$3,500,000 for hardware to operate the financial applications. This Board letter is submitted in compliance with the Board Policy requiring Board approval of hardware purchases with a unit cost of \$250,000 or more. Your Board's approval of the requested action will authorize the Internal Services Department to purchase two computer servers (IBM p Series - model p690s) at a cost of \$690,000 each. Each server is a multi-processor (up to 32 processors) server that is expandable to meet the processing needs of the County.

Project Justification/Benefits:

The eCAPS Project is strategic project for the County because it upgrades the aging financial systems that the County relies on to manage its financial resources. The project has a very aggressive schedule, with implementation planned for July 1, 2005. The proposed hardware is the equipment recommended by AMS as the best equipment to support the processing needs of the County. The expandability of the servers provides the County with the reasonable expectations that these servers can absorb an increase in our processing requirements with incremental increases in the number of processors and amount of memory.

Project Metrics

The equipment will be delivered and operational by September 2004, to meet the project timetable established for eCAPS.

Impact If Proposal Is Not Approved

If this equipment is not purchased, delivered and installed to meet the September 2004 schedule, it could delay the implementation of the new financial application by one year. The replacement of the current financial applications is targeted for the beginning of the fiscal year and would be delayed a full year if this goal is not achieved.

Alternatives Considered:

There are no available alternatives if the current project schedule is to be maintained. The proposed hardware was recommended by AMS and is contractually guaranteed to scale to meet the County's requirements, for 36 months following implementation of eCAPS.

Project Risks:

There is very little risk in purchasing the proposed servers. Late delivery could adversely impact the eCAPS project.

Risk Mitigation Measures:

IBM has been notified for the pending purchase of these servers and they have identified the required equipment in their server production plan. This action ensures delivery to meet the project schedule.

Financial Analysis:

The proposed \$1,380,000 cost for these servers falls well within the \$3.5 million the Board authorized for eCAPS hardware requirements. The funds for this purchase are included in the ISD FY2004-05 Operating Budget. There is no increase in the County's Net County Cost associated with this purchase.

CIO Concerns:

None

CIO Recommendations:

The CIO recommends your Board's approval and authorization for ISD to purchase the eCAPS equipment in the amount of \$1,380,000.

CIO APPROVAL

Date Received: 7/29/2004

Prepared by: Jonathan E. Smith

Date: 7/30/2004

Approved: Jonathan E. Smith

Date: 7/30/2004